

AR38



ANNUAL REPORT FOR 1980.









*Norman G. Burdick*

*Robert C. Allen*









*Norman G. Burdick*

*Robert C. Allen*



## REPORT TO SHAREHOLDERS

This past year has been one of political and economic turmoil throughout the country. Virtually all sectors of the business community have been hard pressed to operate profitably in an atmosphere of tight money, unprecedented interest rates, high inflation and government unpredictability. It has been a year of particularly intense pressure on the trust industry; by and large, the industry has witnessed sluggish growth and dramatic decreases in profit, resulting in the demise of some companies through merger or acquisition by institutions with greater substance.

Against this background, it is with a great deal of satisfaction that the Chairman and I present the Financial Report of District Trust for the fiscal year ended October 31, 1980.

The following are highlights of 1980 activities. Assets under administration are recorded at \$260 million, an increase of 20.5% over the previous year. This is in line with our objective of an average growth rate of 20% compounded per year. In spite of a drastic decline in housing starts in 1980 and a general decline in demand for mortgage financing, our mortgage loan portfolio increased from \$172 million to \$193 million. In July 1980, the Company took possession of a forty-one unit condominium project in Sarnia, Ontario as a result of mortgage foreclosure action. Due to the overall economic climate that we observe in the local real estate market, we felt it

prudent to "write down" our exposure by an amount of \$141,627 so as to bring it in line with comparable properties. Consequently, we have recorded a net mortgage loss for the year of \$124,794.

Net profit for the year from all sources amounted to \$1,462,857.

In order to "match" interest sensitive deposits with corresponding assets, the personal loan portfolio received close attention throughout the year. As a result, the company registered a tremendous 253% gain to \$15.6 million. It is worthy of note that the portfolio, with its "floating rate" characteristic is, for the most part, secured by collateral securities and mortgages.

The real estate portfolio, which for many years contributed substantially to profits, was expanded somewhat this past year with the acquisition of the Kenwick Mall in Strathroy, and an office building in Waterloo. The latter is to be the location of a regional office for the purpose of strengthening the Company's image in the "Golden Triangle" area. This regional office will accommodate corporate functions, mortgage lending, real estate management, and our wholly owned subsidiary, District Development Corporation Limited. Occupancy is planned for early 1981.

Client deposits from all sources once again produced gratifying results. Guaranteed Investment Certificates increased by \$24 million;



chequing and savings account deposits grew by some \$7 million. Guaranteed Registered Retirement Savings Plan and Registered Home Ownership Plan deposits recorded a combined increase of \$7.5 million, and total deposits from the public in these two areas is now in excess of \$49 million. Our dependency on Guaranteed Investment Certificates or term deposits is diminishing in favour of a more acceptable ratio of demand deposits. This will provide more flexibility in diversifying our asset components, thus ensuring a quicker response to changing economic conditions.

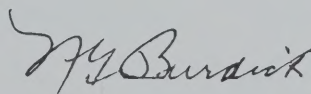
During May of 1980, our Head Office was relocated to Company-owned premises at 150 Fullarton Street, London. This move accomplished a long range objective of more efficient use of Company-owned real estate.

In June of this year, our thirteenth Branch was opened in Wiarton, Ontario. This is our fourth Branch in the Grey-Bruce area of the Province. We are proud of the acceptance the Branch has received from the residents of Wiarton and the surrounding area.

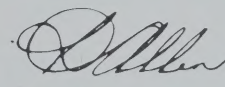
At our Annual Shareholders' Meeting last spring, Mr. James V. Falco was elected to the Board of Directors. Mr. Falco, who is the Director of Ontario Rendering Company of Dundas, Ontario, has made a valued contribution to the affairs of the Company.

It should be noted the asset

growth and profit increases described in the preceding commentary and the following financial reports have been accomplished with virtually no increase in staff. It has long been recognized that the success of any enterprise is the result of the combined efforts of its staff. Therefore, on behalf of the Board of Directors, we extend to all employees our most sincere gratitude for their support and dedication during the past year.



**N.G. Burdick**  
Chairman of  
the Board



**R.C. Allen**  
President and  
General Manager

## DIRECTORS

**Robert C. Allen**, President and General Manager, District Trust Company, London, Ontario

**William J. Amos**, President, William J. Amos Insurance Agency Limited, Parkhill, Ontario

**Bentley I. Baldwin**, Honorary Chairman of the Board, District Trust Company, London, Ontario

**Ronald R. Bobbie**, C.A., Vice-President and Assistant General Manager, District Trust Company, London, Ontario

**Norman G. Burdick**, Vice-President and General Manager, Kingsmill's Limited, London, Ontario

**Dick Corner**, Executive Vice-President Maple Leaf Mills, Elmira, Ontario

**James V. Falco**, Director, Ontario Rendering Company Limited, Hamilton, Ontario

**Robert J. Hare**, Solicitor, Kitchener, Ontario

**Gordon A. Mackay**, Q.C., Senior Partner, Mackay, Kirvan, Seitz, Kitchener, Ontario

**John A. McNee**, President, Adam-McNee Limited, London, Ontario

**John B. Nash**, President, John A. Nash & Son, Limited, London, Ontario

**Frederick P. Schneider**, Chairman of the Board and President, The Heritage Group Inc., Kitchener, Ontario

**James H. Stringham**, Senior Executive Vice-President, Ralston Purina of Canada Limited, Brampton, Ontario

## OFFICERS

**Chairman of the Board**,  
Norman G. Burdick

**President and General Manager**,  
Robert C. Allen

**Vice-President and Assistant General Manager**, Ronald R. Bobbie, C.A.

**Vice-President, Branches**, John F. Visser

**Vice-President, Mortgages**,  
Thomas J. Leathong

**Vice-President, Finance and Treasurer**,  
Peter L. Eudoxie

**Secretary**, Gordon A. Mackay, Q.C.

**Assistant Secretary**, Jean N. Maybrey

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## HIGHLIGHTS AT A GLANCE

	1980	1979	Percentage Change
<b>GROWTH</b>			
Mortgages .....	\$192,765,979	\$172,487,556	+12%
Personal and collateral loans .....	15,631,035	4,433,399	+253%
Total assets .....	259,611,381	215,595,867	+20%
Savings and chequing account deposits .	34,349,504	27,318,730	+26%
Total deposits	\$236,739,656	\$191,719,884	+23%
<b>OPERATING RESULTS</b>			
Total revenue .....	\$ 26,392,368	\$ 20,343,639	+30%
Interest paid on deposits .....	21,837,869	15,719,422	+39%
Other operating expenses .....	4,071,148	3,933,253	+4%
Net income .....	\$ 1,462,857	\$ 1,435,012	+2%
<b>PER SHARE</b>			
Earnings .....	56¢	55¢	+2%
Dividends paid – regular .....	30¢	30¢	
– special .....		25¢	





*Top Left, Clockwise From Left: Peter Lindhout, Angie Macaulay, Dale Bock, Terri Sloan, Cathy Isen, Florence Cassar, Betty Fletcher, Mary Nelligan, Gladys Sinclair, Cathy Keogh, Elizabeth Ramakers*

*Top Right, Left To Right: Linda Deans, Peter L. Eudoxie, Sue Chilton*

*Bottom Left, Left To Right: Ronald R. Bobbie, Jean N. Maybrey, John Harkness, John F. Visser, Thomas J. Leathong*



## FINANCIAL HIGHLIGHTS

During fiscal 1980, net growth in mortgages, personal and demand loans totalled \$31.5 million or 17.8%. This growth helped produce additional interest revenue of \$5.8 million, which is 35.6% more than in fiscal 1979. Controllable expenses such as salaries and benefits, administrative expenses, and premises expenses were held to a total increase of only 5.0%. Unfortunately, during 1980 interest rates soared to unprecedented levels; the interest expense on deposits and other borrowed monies increased by \$6.1 million or 38.9% vs. 1979, whereas total deposit liabilities increased by 23.5%.

Our personal loans portfolio grew by \$11.2 million to \$15.6 million in 1980, much of this growth taking place in the second half of the year. This substantial increase will greatly benefit net income in fiscal 1981. Personal loans offer a larger "spread" (between the cost of savings deposit funds employed and the income earned) than that provided by mortgage loans (funded by G.I.C. deposits). In addition, the interest rate on the large majority of our personal loans is "pegged" to the chartered bank prime rate. Rapid or large changes in the related cost of savings deposits are immediately offset by changes in the interest rate charged on these personal loans, and the "spread" does not change; the profit from the loans is defended from even extreme interest rate

fluctuations. Losses on defaulted loans have been insignificant, an excellent record which we attribute to our sound underwriting policy.

Our present data processing system, while extremely efficient, lacks the capacity for handling continued growth in certain services. We have ordered a new and substantially more powerful computer for December 1980 delivery. This equipment and the modern mortgage and financial modelling programs we shall install during the first half of 1981 will assist our decision-making process, and will permit the processing of much larger volumes of mortgage loans without increasing our staff. We propose to convert our Retirement Savings Plans from a service bureau to this system later in fiscal 1981.

During 1980, the securities portfolio was increased by \$3.3 million to \$19.0 million, and at October 31, 1980 its composition was stocks, 83%, and bonds, 17%. Gains on sales of securities totalled more than \$1.0 million in 1980. In the past three years, a total of \$2.4 million in gains have been realized. Since 75% of the portfolio is composed of preferred shares, which are interest sensitive, current high interest rates have depressed its market value. Moderating long-term interest rates will result in increased preferred share prices.



## FINANCIAL HIGHLIGHTS cont.

Total revenue for 1980 was \$26.4 million, an increase of 29.7% over 1979. Income before income taxes was \$1.5 million, a 15.6% decrease vs. 1979; however, a higher proportion of dividend revenue and capital gains reduced income taxes for 1980 compared to 1979, and net income after taxes for 1980 was \$1,462,857, or 56¢ per share, vs. \$1,435,012, or 55¢ per share in 1979.

Our cost control efforts in recent years have been very successful. Operating expenses other than interest on deposits increased by only 3.5% over 1979.

We are proud of the high level of productivity and efficiency being achieved by our staff. In the four years since October, 1976 we have increased total assets by 117% to \$260 million; in that span of time, our staff has increased just 49%, to 112 people. On average, each employee now administers \$2.3 million of assets compared to \$1.6 million in 1976.

*Left To Right: Peter L. Eudoxie, John F. Visser, Robert C. Allen,  
Ronald R. Bobbie, Thomas J. Leathong* >







DISTRICT TRUST COMPANY  
(Incorporated under the laws of Ontario)  
**CONSOLIDATED BALANCE SHEET AS AT OCTOBER 31, 1980**

<b>ASSETS</b>	<b>1980</b>	<b>1979</b>
Loans		
Mortgages .....	\$192,765,979	\$172,487,556
Personal and collateral loans .....	<u>15,631,035</u>	<u>4,433,399</u>
	208,397,014	176,920,955
Cash and term deposits .....	13,884,664	8,088,395
Securities ( <i>note 2</i> ) .....	19,048,662	15,731,338
Income taxes recoverable .....	29,486	37,876
Income producing real estate and land		
held for development ( <i>note 3</i> ) .....	15,717,930	13,647,632
Investment in partnership ( <i>note 4</i> ) .....	111,796	110,827
Real estate acquired in settlement of		
mortgage loans .....	1,250,000	
Leasehold improvements and equipment .....	329,057	325,588
Other .....	<u>842,772</u>	<u>733,256</u>
	<u>\$259,611,381</u>	<u>\$215,595,867</u>

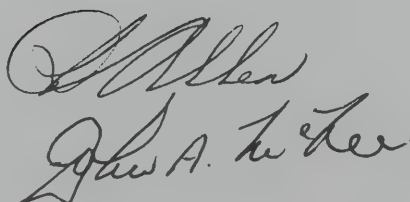


LIABILITIES	1980	1979
Deposits and borrowings		
Demand deposits .....	\$ 34,349,504	\$ 27,318,730
Short term certificates .....	16,822,042	10,002,393
Guaranteed retirement savings plan deposits .....	47,394,728	40,181,375
Guaranteed investment certificates .....	138,173,382	114,217,386
	<u>236,739,656</u>	<u>191,719,884</u>
Other liabilities		
Accounts payable and accrued liabilities .....	591,208	717,855
Mortgages payable .....	4,691,641	6,205,839
	<u>5,282,849</u>	<u>6,923,694</u>
Deferred income taxes (note 5) .....	<u>2,259,651</u>	<u>2,305,651</u>
Interest of minority shareholders in subsidiary company .....	<u>68,218</u>	<u>68,218</u>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock (note 6) .....	4,709,023	4,709,023
Retained earnings .....	6,382,422	5,819,722
Excess of appraised value of real property over depreciated cost .....	4,169,562	4,049,675
	<u>15,261,007</u>	<u>14,578,420</u>
	<u>\$259,611,381</u>	<u>\$215,595,867</u>

Approved by the Board

Director

Director





DISTRICT TRUST COMPANY  
**CONSOLIDATED STATEMENT OF INCOME**  
YEAR ENDED OCTOBER 31, 1980

	1980	1979
Revenue		
Mortgages and other loans .....	\$22,168,532	\$16,350,692
Investment securities .....	2,365,443	2,323,306
Fees, commissions and other revenue .....	611,822	448,909
Investment properties .....	1,246,571	1,220,732
	<u>26,392,368</u>	<u>20,343,639</u>
Expense		
Interest on deposits and borrowings .....	21,837,869	15,719,422
Investment properties .....	1,114,730	1,116,375
Salaries and staff benefits .....	1,530,543	1,381,286
Administrative .....	1,139,997	1,178,965
Premises .....	285,878	256,627
	<u>25,909,017</u>	<u>19,652,675</u>
	483,351	690,964
Gain on sale of securities .....	1,016,694	940,150
Gain on sale of income producing real estate .....	104,815	216,864
Mortgage losses .....	(124,794)	(95,000)
Income before income taxes .....	<u>1,480,066</u>	<u>1,752,978</u>
Income taxes (note 5)		
Current (recoverable) .....	63,209	(17,534)
Deferred (reduction) .....	(46,000)	335,500
	<u>17,209</u>	<u>317,966</u>
NET INCOME .....	<u>\$ 1,462,857</u>	<u>\$ 1,435,012</u>
 EARNINGS PER SHARE .....	 <u>\$ .56</u>	 <u>\$ .55</u>



DISTRICT TRUST COMPANY  
**CONSOLIDATED STATEMENT OF RETAINED EARNINGS**  
YEAR ENDED OCTOBER 31, 1980

	1980	1979
<b>BALANCE AT BEGINNING OF YEAR</b> .....	<b>\$ 5,819,722</b>	<b>\$ 5,768,745</b>
Net income .....	<b>1,462,857</b>	<b>1,435,012</b>
Appraisal increment (decrease) realized on sale of real estate .....	<b>(119,887)</b>	<b>46,455</b>
	<b>7,162,692</b>	<b>7,250,212</b>
Dividends .....	<b>780,270</b>	<b>780,270</b>
Dividend distributed by means of shares of International By-Products Limited .....		<b>650,220</b>
	<b>780,270</b>	<b>1,430,490</b>
<b>BALANCE AT END OF YEAR</b> .....	<b>\$ 6,382,422</b>	<b>\$5,819,722</b>

## AUDITORS' REPORT

To the Shareholders of District Trust Company

We have examined the consolidated balance sheet of District Trust Company as at October 31, 1980 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at October 31, 1980 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We further report that certain assets of the company do not qualify as investments under the provisions of The Loan and Trust Corporations Act (see note 8).

London, Canada  
December 11, 1980

*Shorne Riddell*  
Chartered Accountants



## DISTRICT TRUST COMPANY

**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**

YEAR ENDED OCTOBER 31, 1980

	1980	1979
<b>FUNDS DERIVED FROM</b>		
Operations		
Net income .....	\$ 1,462,857	\$ 1,435,012
Non cash items		
Depreciation .....	265,514	221,878
Deferred income taxes .....	(46,000)	335,500
Share of earnings of partnership .....	(969)	(890)
	<u>1,681,402</u>	<u>1,991,500</u>
Increase in deposits and borrowings .....	45,019,772	42,770,959
Proceeds from disposition of subsidiary company		650,222
Reduction of advances to partnership and other companies .....		164,713
	<u>\$46,701,174</u>	<u>\$45,577,394</u>
<b>FUNDS APPLIED TO</b>		
Increase in cash and term deposits .....	\$5,796,269	\$ 1,133,189
Increase in securities .....	3,317,324	3,003,813
Increase in loans .....	31,476,059	39,515,011
Increase (decrease) in income producing real estate and land held for development .....	2,231,655	(370,016)
Dividends .....	780,270	1,430,490
Real estate acquired in settlement of mortgage loans .....	1,250,000	
Decrease in mortgages payable .....	1,514,198	719,572
Decrease in accounts payable and accrued liabilities .....	126,647	
Net change in other assets and liabilities .....	<u>208,752</u>	<u>145,335</u>
	<u>\$46,701,174</u>	<u>\$45,577,394</u>



# DISTRICT TRUST COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED OCTOBER 31, 1980

#### 1. ACCOUNTING POLICIES

##### (a) Consolidation

The consolidated financial statements include the accounts of District Trust Company, District Development Corporation Limited, Allcross Enterprises Limited and Glenridge Shopping Centre.

##### (b) Loans and receivables

Mortgages are stated at cost, which includes amounts advanced, accrued interest, and other charges, less repayments. Mortgages, to the extent that they are uncollectible, have been written off. The amount of accumulated payments by mortgagors to District Trust Company in respect of property taxes, net of such taxes paid by the company, is included in "Accounts payable and accrued liabilities".

Other loans and receivables are stated at cost plus accrued interest less repayments.

##### (c) Securities

Bonds and stocks are stated at cost plus accrued income.

##### (d) Income producing real estate and land held for development

Land, buildings and improvements held by the companies at December 1, 1975 are stated at appraised values established by accredited appraisers. The excess of these values over depreciated cost as recorded in the accounts at December 1, 1975 is included as part of shareholders' equity and, upon realization through dispositions, the appropriate portion is transferred to retained earnings net of related income taxes.

Land and buildings acquired subsequent to December 1, 1975 are stated at cost.

The company follows the policy of capitalizing as land held for development such direct carrying costs as mortgage interest, financing costs, realty taxes and other costs less rental incomes which pertain to such properties.

Architectural design fees and other costs relating to proposed developments are deferred pending completion or abandonment of the project and are then capitalized or expensed. These costs are included in "Other" assets.

##### (e) Leasehold improvements and equipment

Leasehold improvements and equipment used in the companies operations are stated at cost less accumulated depreciation.

##### (f) Real estate acquired in settlement of mortgage loans

Real estate acquired in settlement of mortgage loans is carried at its market value as of the acquisition date.

##### (g) Depreciation

The companies record depreciation of the cost or appraised value of buildings on a forty year sinking fund basis over their estimated useful lives. Under this method, depreciation is charged in a series of annual instalments increasing at the rate of 5% compounded annually and will result in a substantially higher depreciation charge in later years.

Improvements are being depreciated by the straight-line method over 10 years from December 1, 1975 or dates of acquisition, if later, on the basis of appraised values or cost.

Depreciation of equipment is being determined by the straight-line method using annual rates of 10% or 20% applied to historical cost. Leasehold improvements are being depreciated by the straight-line method over the term of the leases plus the first renewal option period.

##### (h) Investment in partnership

The company's one-half interest in the partnership, Edinburgh Shopping Centre, is carried at cost plus the company's share of income less drawings plus one-half of the increase in appraised values over depreciated cost of land and buildings as determined by the appraisals referred to in note 1(d).

##### (i) Other

Fees from estate, trust and agency accounts are recorded using the accrual basis of accounting. Securities and other property held by the trust department in a fiduciary or agency capacity are not included as assets in the consolidated balance sheet.

#### 2. SECURITIES

	1980		1979	
	Book Value	Market	Book Value	Market
Bonds				
Government of				
Canada .....	\$1,859,156	\$ 1,516,216	\$ 2,988,526	\$2,646,180
Provinces of				
Canada .....	653,700	450,125	653,700	473,530
Municipal .....	125,835	95,683	125,835	92,700
Other .....	589,254	407,056	595,416	388,575
	<u>3,227,945</u>	<u>2,469,080</u>	<u>4,363,477</u>	<u>3,600,985</u>
Stocks .....	<u>15,820,717</u>	<u>13,107,608</u>	<u>11,367,861</u>	<u>10,777,942</u>
	<u>\$19,048,662</u>	<u>\$15,576,688</u>	<u>\$15,731,338</u>	<u>\$14,378,927</u>

#### 3. INCOME PRODUCING REAL ESTATE AND LAND HELD FOR DEVELOPMENT

	1980		1979	
	Cost or appraised value	Accumulated depreciation	Net	Net
Land .....	\$ 3,343,281		\$ 3,343,281	\$ 3,030,267
Buildings and improvements...	8,794,360	682,579	8,111,781	6,621,267
Equipment .....	20,706	10,771	9,935	13,373
	<u>12,158,347</u>	<u>693,350</u>	<u>11,464,997</u>	<u>9,664,907</u>
Land held for development ....	<u>4,252,933</u>		<u>4,252,933</u>	<u>3,982,725</u>
	<u>\$16,411,280</u>	<u>\$693,350</u>	<u>\$15,717,930</u>	<u>\$13,647,632</u>

#### 4. INVESTMENT IN PARTNERSHIP

	1980	1979
Edinburgh Shopping Centre .....		
Partnership interest 50% .....	\$ 71,424	\$ 70,455
Appraisal increment .....	<u>40,372</u>	<u>40,372</u>
	<u>\$111,796</u>	<u>\$110,827</u>



DISTRICT TRUST COMPANY  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
YEAR ENDED OCTOBER 31, 1980

**5. INCOME TAXES**

The company's income from the sale of securities and income producing real estate is taxed at reduced rates. Dividend income is tax exempt. Accordingly, income taxes as provided in the consolidated statement of income are less than the amount obtained by applying statutory tax rates to income before income taxes.

Certain items of income and expense are recognized in time periods different for financial reporting than for income tax purposes. Full provision for income taxes is made using the tax allocation method and income taxes related to the following items are recorded as deferred income taxes on the consolidated balance sheet.

Deferred income taxes applicable to:

	1980	1979
Special mortgage and bond reserve allowed under the Income Tax Act .....	\$ 997,125	\$1,005,000
Mortgage reserve on gain from sale of income producing real estate .....	451,000	574,000
Excess of capital cost allowance over depreciation provided in the accounts .....	652,000	584,000
Other items .....	159,526	142,651
	<u>\$2,259,651</u>	<u>\$2,305,651</u>

**6. CAPITAL STOCK**

Authorized

1,300,000 Preference shares with a par value of \$10 per share issuable in series

6,500,000 Class A and Class B interconvertible common shares without par value

	1980	1979
Issued		
Class A common shares .....	1,633,003	1,150,730
Class B common shares .....	967,883	1,450,156
	<u>2,600,886</u>	<u>2,600,886</u>

**7. GUARANTEED TRUST ACCOUNT**

Assets held for guaranteed deposits consist of:

	1980	1979
Cash and term deposits .....	\$ 13,879,063	\$ 7,915,181
Securities .....	17,144,835	13,186,720
Mortgages .....	188,957,385	166,767,242
Other loans and receivables .....	15,508,373	3,850,741
Real estate .....	1,250,000	
	<u>\$236,739,656</u>	<u>\$191,719,884</u>

**8. OTHER INFORMATION**

(a) As a result of the 1975 amalgamation of District Trust Company and Shore to Shore Corporation Limited certain assets of the company do not meet the investment provisions of The Loan and Trust Corporations Act.

(b) The aggregate direct remuneration paid or payable to directors and officers as defined by The Loan and Trust Corporations Act was \$250,950 (1979, \$203,500).

(c) Included in expenses is depreciation amounting to \$265,514 (1979, \$221,878).

**9. COMPARATIVE FIGURES**

Certain 1979 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1980.

Tellers' Counter at our Fullarton Street Branch >







# DEMAND DEPOSITS

(in \$ millions)

Our two most popular accounts, the daily interest Super Savings account and the 55 Plus Savings account, continued their steady growth in account numbers and deposit dollars during the year. This growth contributed to an increase in Demand Deposits (a classification which also includes Regular Savings, Chequing, and Registered Home Ownership Savings Plan accounts) of \$7 million or 25.6% in 1980. The introduction of a remarkable new account, planned for 1981, should result in substantial deposit increases.



# PERSONAL LOANS

(in \$ millions)

This portfolio of collateral demand, and time-payment personal loans grew by 253% during 1980. More than 80% of the loans bear interest rates which are set relative to the prevailing chartered bank prime rate. Moderate portfolio growth of approximately 20% is planned for 1981.

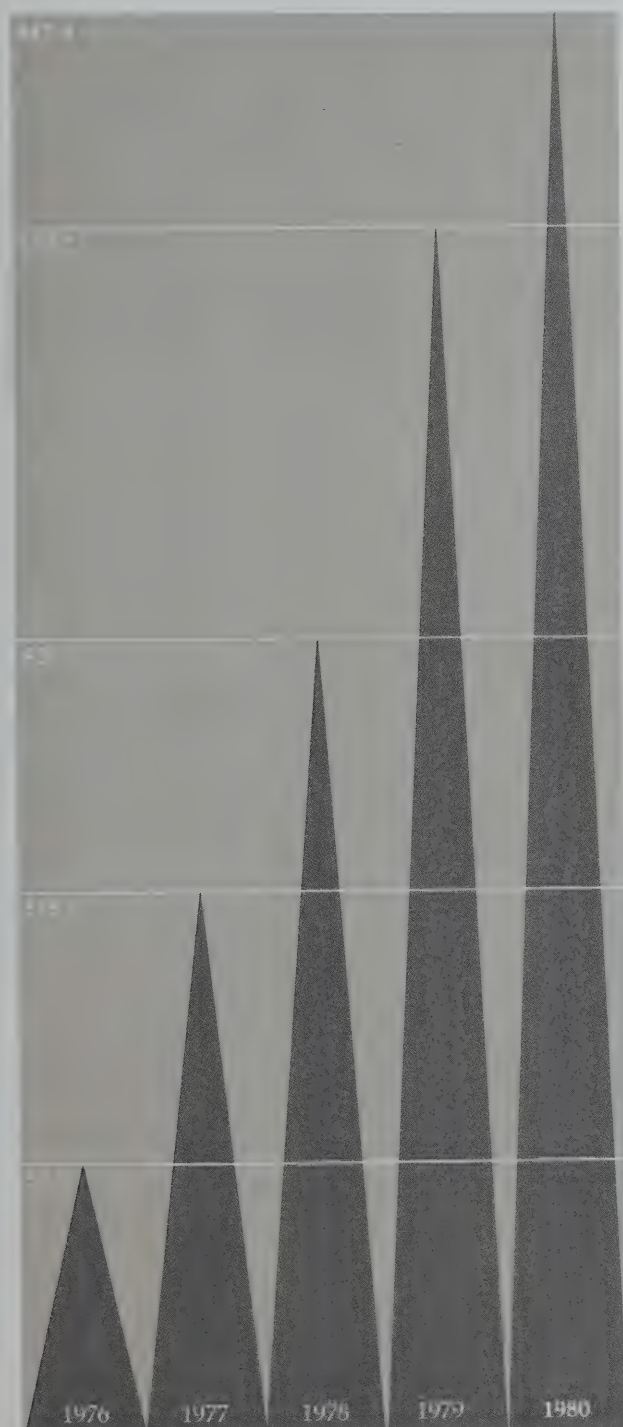




## GUARANTEED RETIREMENT SAVINGS DEPOSITS

(in \$ millions)

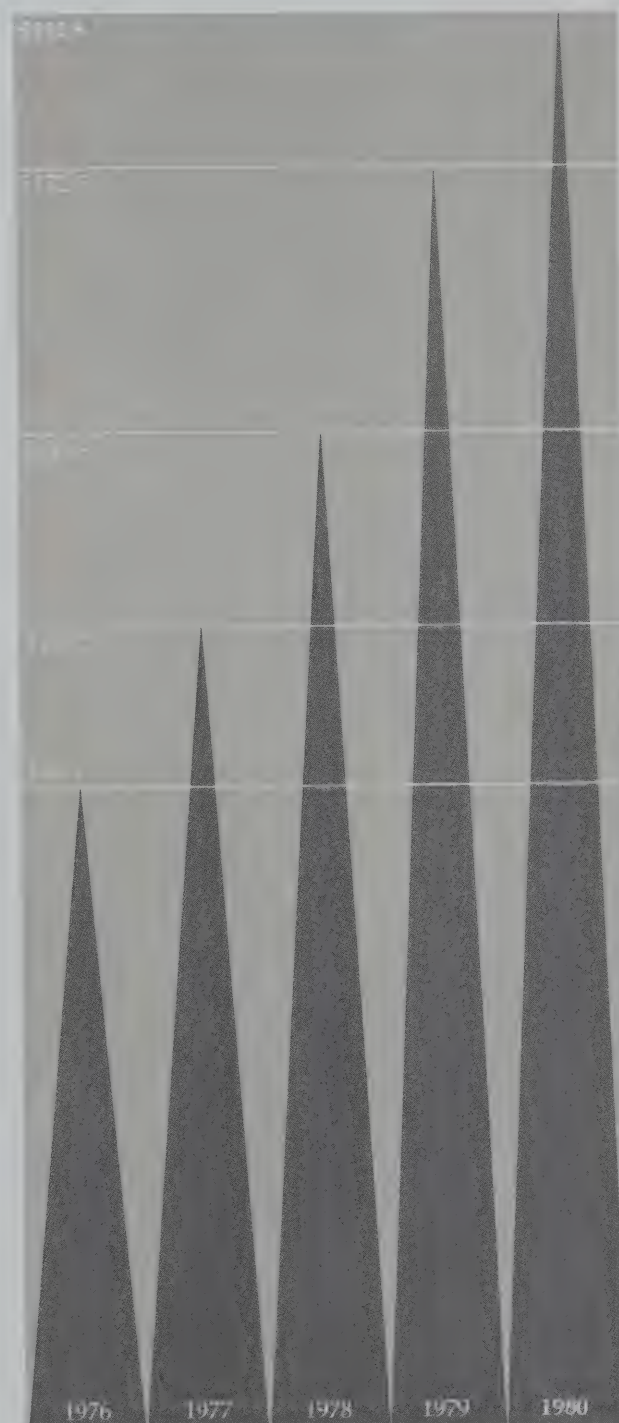
The Guaranteed Fund of our Retirement Savings Plan has consistently been ranked highly in comparative surveys. During 1980, net deposit increases totalled \$7.2 million, a 17.9% growth rate. In the past five years, total Guaranteed Fund deposits have increased twelvefold, reflecting enthusiastic customer acceptance of our unique combination of features.



## MORTGAGES

(in \$ millions)

District Trust's mortgage portfolio grew by 12.2% during the past year, in a period of very trying economic conditions. Mortgage loans are used to offset our fixed term Guaranteed Investment Certificates and Retirement Savings Plan Deposits. Careful matching of borrowing and lending maturities, coupled with steady portfolio growth, provides a stable profit core, even during periods of volatile interest rates such as we have experienced.



## OUR PEOPLE, OUR SERVICES.

District Trust employees have a personal stake in your satisfaction as a customer; more than half of our 112 employees are shareholders of at least 500 shares of District Trust common stock — collectively they own nearly 25% of our outstanding shares. Ninety-five percent of our employees participate in an Employee Incentive Plan which rewards deposit growth achievements. Their efforts have resulted in an exemplary level of efficiency and productivity, as discussed elsewhere in this annual report.

At District Trust, we have always taken pride in designing innovative, value-packed services. Over the years, these services have been



enthusiastically accepted by our customers, and sometimes imitated by our competitors.

In 1966, we introduced the Guaranteed Fund of our Retirement Savings Plan, and its terms are essentially unchanged today. The Guaranteed Fund offers a unique combination of liquidity — just 101 days notice of withdrawal or transfer is required — and long-term income protection — the interest rate is guaranteed for five years. These features have attracted more than 7,000 customers and over \$47 million in deposits to date.

In the fall of 1977, we recognized the growing consumer demand for savings account interest computed on the daily account balance, and introduced our unique Super Savings Account. This account pays a high rate of interest on the balance in the account at the end of each day, and compounds the interest daily — not just semi-annually or monthly, but *daily*, 365 times a year! This means that each day's interest begins to *earn interest* the next day! In its first two years, the Super Savings Account was the fastest-growing deposit service ever offered by District Trust. This Spring, we will introduce new features which we feel will make this an all-purpose account without equal.

◁ Staff with customer at our Market Building Branch



Ten years ago we introduced the first Retirement Savings Plan to invest depositors' contributions in income-producing commercial real estate. The District Trust Real Estate Fund continues to offer an excellent return and an opportunity for the smaller investor to own part of a diversified real estate portfolio through their retirement savings plan.

District Trust is a registered depository for Trans Canada Options Inc., and our Self-Administered R.S.P. is one of the few in the trust industry to accept call option trading. In addition, our Plan accepts mortgage investments.

We will continue to present new services for our customers. In January, we will introduce two additional funds for our Retirement Savings Plan, a Daily Interest Fund and a Guaranteed Investment Certificate Fund; in March, we will enhance our Super Savings Account. And of course, we will continue to offer our full range of deposit, loan and trustee services.

Unique services; interested, inventive employees; a commitment to value . . . that's District Trust!



*Doll dressing contest entries – Strathroy Branch*

## FIVE YEAR RECORD

### AT THE YEAR-END

#### Assets

Mortgages and other loans .....  
Investment securities, real estate and other

#### Liabilities

Fixed term deposits .....  
Demand deposits .....  
Other liabilities .....

Shareholders' Equity .....

### FOR THE YEAR

#### Income

Mortgages and other loans .....  
Investment securities, real estate and fees

#### Expenses

Interest on deposits .....  
Salaries, commissions and benefits .....  
Other expenses .....

Income before taxes .....  
Income taxes .....  
Gain on sale of real estate assets .....  
Net Income .....

### STATISTICAL INFORMATION

Earnings per share .....  
Number of common shares outstanding ...  
Number of shareholders .....  
Number of branches .....  
Number of employees .....



1980	1979	1978	1977	1976
\$208,397,014	\$176,920,955	\$137,355,062	\$110,505,459	\$ 88,877,731
51,214,367	38,674,912	35,906,273	40,589,710	31,027,912
<u>\$259,611,381</u>	<u>\$215,595,867</u>	<u>\$173,261,335</u>	<u>\$151,095,169</u>	<u>\$119,905,643</u>
\$185,568,110	\$154,398,761	\$130,130,373	\$107,806,837	\$ 87,529,598
51,171,546	37,321,123	18,818,552	18,144,883	10,149,000
7,610,718	9,297,563	9,715,261	11,565,968	8,705,645
244,350,374	201,017,447	158,664,186	137,517,688	106,384,243
15,261,007	14,578,420	14,597,149	13,577,481	13,521,400
<u>\$259,611,381</u>	<u>\$215,595,867</u>	<u>\$173,261,335</u>	<u>\$151,095,169</u>	<u>\$119,905,643</u>
\$ 22,168,532	\$ 16,350,692	\$ 13,364,277	\$ 10,948,126	\$ 8,391,057
5,115,736	4,901,853	3,898,971	3,814,583	2,977,029
<u>27,284,268</u>	<u>21,252,545</u>	<u>17,263,248</u>	<u>14,762,709</u>	<u>11,368,086</u>
21,837,869	15,719,422	12,210,249	10,006,020	7,457,226
1,530,543	1,535,499	1,472,721	1,378,348	1,176,337
2,540,605	2,461,510	2,532,245	2,176,456	1,761,549
<u>25,909,017</u>	<u>19,716,431</u>	<u>16,215,215</u>	<u>13,560,824</u>	<u>10,395,112</u>
1,375,251	1,536,114	1,048,033	1,201,885	972,974
(17,209)	(254,657)	(18,152)	(374,606)	(335,661)
104,815	153,555	1,413,057		
<u>\$ 1,462,857</u>	<u>\$ 1,435,012</u>	<u>\$ 2,442,938</u>	<u>\$ 827,279</u>	<u>\$ 637,313</u>
56¢	55¢	94¢	32¢	25¢
2,600,886	2,600,886	2,600,886	2,600,886	2,571,703
693	742	767	806	789
13	12	12	9	9
112	107	101	95	75

## OFFICES

### Head Office

150 Fullarton Street  
London, Ontario 434-6013

### Regional Office

319 Bridgeport Road East  
Waterloo, Ontario 888-6406

### London (2 locations)

150 Fullarton Street 672-0610  
Covent Market Building 434-6024

### Guelph

Wellington and Gordon Streets 821-2160

### Strathroy

26 Front Street 245-1090

### Kitchener

259 King Street West 579-4020

### Toronto

20 Duncan Street 977-9770

### Elmira

24 Arthur Street South 669-5186

### Brantford

233 Colborne Street 753-4105

### Port Colborne

43 Clarence Street 835-2555

### Port Elgin

620 Goderich Street 832-9015

### Walkerton

301 Durham Street East 881-3700

### Owen Sound

854 -2nd Avenue East 376-0600

### Warton

562 Berford Street 543-2120



## SERVICES

Mortgage loans

Personal loans

Guaranteed Investment Certificates

Chequing Accounts

Savings Accounts

Super Savings Accounts

55 Plus Accounts

Registered Retirement Savings Plans

Deferred Profit Sharing Plans

Registered Home Ownership Savings Plans

Property Management

Trustee – Corporate and Personal

Estate Planning

Prepaid Deposit by Mail

Safety Deposit Boxes and Safekeeping

Executor and Administrator Services

## OTHER INFORMATION

### Auditors

Thorne Riddell & Co.,  
220 Dundas Street, London, Ontario

### Bankers

Canadian Imperial Bank of Commerce  
166 Dundas Street, London, Ontario

### Transfer Agent and Registrar

The Canada Trustco Mortgage Company  
110 Yonge Street, Toronto, Ontario

### Solicitors

Mackay, Kirvan, Seitz, Barristers & Solicitors  
127 Frederick Street, Kitchener, Ontario

### Shares Listed

Toronto Stock Exchange  
234 Bay Street, Toronto, Ontario







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